



# City Council Report

**Date:** April 15, 2019  
**To:** City Council  
**Through:** Michael Kennington, Chief Financial Officer  
**From:** Edward Quedens, Business Services Director  
Matt Bauer, Procurement Administrator  
**Subject:** One-Year Renewal to the Term Contract for Jet A Aviation Fuel for the Police Department **(Citywide)**

## Recommendation

Council is requested to approve the contract renewal as recommended.

The Police Department and Purchasing recommend authorizing the renewal with MercFuel, Inc., dba Mercury Fuels, Inc., at \$275,000 annually, based on estimated usage.

## Background / Discussion

This contract provides Jet A Aviation Fuel for the Police Department, Aviation Unit's three helicopters based at Falcon Field Airport. The fuel product is refinery blended, meets ASTM D1655 specifications, as amended, for Jet A Aviation Fuel without Prist anti-ice additive.

The City places bulk fuel orders between 8,000 and 12,000 gallons approximately every six weeks, an estimated annual usage of 72,000 gallons.

Mercury Fuels, Inc. agreed to renew the contract under the same terms, conditions and current mark-up. Pricing is based on the published Platt's LA Jet previous week's 5-day average. Mercury Fuel's mark-up price of \$0.1215/gallon remains the same. The vendor has provided excellent and prompt service over the term of the agreement. Pricing is highly competitive to other vendors at Falcon Field. This contract continues to be advantageous to the City and it is in the City's best interest to renew the contract.

## Purchase Information

Action: Renewal (2nd of 2 possible)  
Procurement Type: Request for Bids  
Contract Number: 2015214  
Original Council Award Date: 5/18/2015  
Initial Contract Term: Three years  
Funding Source: Police Department operating budget